the redtape and the consumer initiative, taxpayer protection, and IRS accountability that strengthens the protection the taxpayers have in terms of what information is made public on their taxes.

Strengthening and improving health care; we did the project bioshield. These things have passed the Senate but have not been completed yet largely because we have not been able to go to conference on many of them.

Here again we find obstacles in our way this year that we have never seen before. I guess it means we need to take a little look at our system.

Keeping Americans safe at home—of course, we passed the unborn victims of violence bill that amends the Federal law regarding women who are assaulted, and an unborn child is killed, to allow the assailant to be charged.

Flood insurance reform is very important. It amends the Flood Act to encourage damage mitigation. Homeland security has been something, of course, we have passed.

Regarding crime, we have done a lot of things, even though we could do a great deal more, I am sure.

Educational initiatives—the NASA Workforce Flexibility Act offers scholarships, incentives, for highly qualified students to move forward.

IDEA reauthorization, the Individuals with Disabilities Act, is one that is very important to be reauthorized and moved through. It was passed by the Senate.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. THOMAS. Mr. President, I ask unanimous consent to continue for 5 more minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THOMAS. The point is, we have a problem with the process here. Obstruction is available. I don't think that is what is intended.

At the same time, we have accomplished a good many things that certainly are important and that we need to recognize.

I want to mention something that I believe is important, and that is taking a little look and having a way to have some measurement of the kinds of things that are brought up that are legitimately congressional—Federal kinds of issues.

I understand everyone has issues they would like to bring up. Frankly, some of them are inappropriate to be here on the Federal level. We continue to have more spending; we have more government; we have more involvement in people's lives. One of the reasons is we have not set up some criteria to say this is a good idea, but is it the thing that ought to be done in the Federal Government as opposed to State government or city government or county government?

TOM FEENEY, from Florida, one of the House Members, put out an interesting idea. He has a little card like a credit card. It measures these things against issues.

No. 1 is less government: Does the bill tend to reduce government regulations, the size of government, eliminate entitlements or unnecessary programs? That is one of the tests he has against the issue.

No. 2 is lower taxes: Does the bill promote individual responsibility in spending or reducing taxes? It is a good idea to take a look at that.

No. 3 is personal responsibility: Does the bill encourage responsible behavior among individuals and families, and encourage them to take care of their own issues to an extent? Remember, we don't want the government in our lives, yet things have to be done. It is a choice: do we do them ourselves?

No. 4 is individual freedom: Does the bill offer opportunities for individuals to do those kinds of things?

No. 5 is stronger families: Is it something that contributes to the family function, the family structure in our country, which is obviously one of the most important things we have?

Finally, No. 6, does it add to domestic tranquility and national defense?

I think those are interesting concepts, interesting measurements that one might take—in their own mind, of course. Each person would have a different view of how to deal with it but to see if what is before us meets some of these measurements and does these things.

First, I think we are going to have to do something about the kind of obstructionism we have seen that moves to keep us from doing what we need to do. Second, we need to recognize we have done a number of things and passed them in the Senate. Unfortunately, they are not fully done. Maybe a little unrelated, but important to me, we ought to have some kind of standard we measure in our minds as to whether this is a legitimate thing, necessary thing, appropriate thing to be done at the Federal level or indeed should be done other places.

Mr. President, I yield the floor.

UNITED STATES-MOROCCO FREE-TRADE AGREEMENT IMPLEMENTATION ACT

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of S. 2677, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 2677) to implement the United States-Morocco Free-Trade Agreement.

The PRESIDING OFFICER. Under the previous order, time until 11:30 p.m. is equally divided for debate on or between the chairman and ranking member.

The Senator from Wyoming.

Mr. THOMAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ALEXANDER. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALEXANDER. Mr. President, what is the pending matter?

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. JOHNSON. Mr. President, I rise to discuss the Morocco-United States free-trade agreement, FTA, and the impact this bilateral free trade agreement will have on agricultural producers in my State of South Dakota. While I retain concerns on a number of agreements negotiated under Trade Promotion Authority, TPA, as part of fast track trade negotiations navigated by the current administration, I see a potential positive impact on the South Dakota economy from a number of provisions in this agreement. I am pleased that the needs of many sectors in our agricultural community were accounted for while hammering out the terms included in this FTA.

I am disappointed at the recent passage of the Australian free-trade agreement, AFTA, which seriously weakens our ability to foster growth in the agricultural sector. It is concerning that the adoption of the AFTA will hinder the retention of our agriculture producers, exacerbate supply, and consequently undermine our Federal price support programs. When dealing with sensitively priced commodities and a delicate supply and demand balance, I believe we must prudently evaluate the economic ramifications from any proposed trade agreement. I am concerned for the rural communities in my home state of South Dakota, and I will continue to evaluate trade agreements on a case by case basis to ascertain the potential benefits and negative impacts.

Despite these concerns, I am pleased to see that the Moroccan free-trade agreement holds promise and provides a number of potentially rewarding terms for United States producers and ranchers. The agreement encompasses a wide variety of commodities that are important to the health of the rural economy in South Dakota, including beef, soybeans, wheat, corn and sorghum. As in the case of beef, for example, increasing market access under this agreement is imperative for ensuring our producers and ranchers maintain ample opportunity for promoting quality American beef. This opportunity will be facilitated by a low in-tariff quota that will promptly be zeroed out.

As in the case of soybeans, duties on soybeans used for processing will cease immediately. Duties on soybeans for processed soy products and other uses will be reduced by half in the first year, and eliminated entirely within a 5-year timeframe. Additionally, wheat will benefit from this bilateral FTA. Fluctuating weather conditions present problematic conditions for Moroccan farmers, and as a significant

wheat importer, a beneficial trading relationship can be established from increased market access to the Kingdom of Morocco.

While I retain reservations about the direction the administration's free trade agenda has taken, I am pleased that a free trade agreement has been proposed that has garnered the support of many American agriculture producers, and will facilitate increased market access and positive economic impact for our rural communities.

Mr. ALLEN. Mr. President, I rise today to speak on the pending measure before the Senate, the U.S.-Morocco free-trade agreement. Soon this body will likely pass the implementing legislation and send it to the President for signature and subsequent enactment. Before that takes place, I believe it is important to outline to the people of the Commonwealth of Virginia my position on this matter and why I will vote in favor of its passage though it is not a perfect agreement.

The enactment of free trade agreements have the potential to increase the profitability of U.S. companies, increase U.S. jobs, open new markets for U.S. products and services and engender stronger relationships with other nations. However, the central tenet of such agreements must be fairness, clear benefit to all parties and a relatively equitable number and degree of concessions. Understanding that in any negotiation there must be some give and take, it is counterproductive and damaging for the U.S. to agree to provisions within these agreements that leave U.S. industries susceptible to loopholes that allow a non-party country duty free access to our market.

In the case of the Morocco free-trade agreement I am speaking of the textile provisions. This agreement, while in many ways better than previous free trade agreements, would still allow for non-party countries to export yarn or fabric to Morocco and upon production into apparel, be imported into the United States duty-free. If our government is going to negotiate an agreement with another country and make concessions to secure an equally beneficial arrangement, I cannot comprehend why loopholes would be included to permit a third party to benefit from the agreement without having to meet the requirements or make the concessions of those party to the trade pact.

Under a tariff preference level, the Morocco agreement will allow the use of fabric and yarn from a non-party of up to thirty million square meters equivalent. It is difficult to understand why such an exception is necessary, given that the total Moroccan trade in fabric and yarn with the U.S. in 2003 was 16.477 million square meters equivalent. I have been in contact with many in the domestic textile industry and have to sincerely agree with them that such a provision appears to be a substantial loophole that will ultimately allow a country other than the U.S. or Morocco to benefit from the U.S.-Morocco free-trade agreement.

The U.S. government has an obligation to the American worker to do away with the practice of providing exceptions like tariff preference levels. A third-party country that would provide yarn and fabric under these loopholes will have conceded nothing nor offered greater access to its market as it benefits from the agreement negotiated between the U.S. and Morocco. Make no mistake, concessions like this can adversely affect American jobs. Domestic textile production has provided Americans stable, well-paying jobs for generations; however the enactment of free trade agreements that allow a party to go outside of the agreement but enjoy duty-free access has contributed to the growing number of unemployed textile workers in this country.

Going forward, I would strongly recommend to those negotiating trade agreements on behalf of the American people to visit Southside Virginia and gain a first-hand perspective on how the concessions made in trade pacts can impact not only a few families, but entire communities. We must make sure that when we are opening our markets to other countries through trade agreements that we do not allow a third party to benefit without being party to the requirements and concessions of that trade agreement.

Even with the grave concerns I have with the textile provisions of this agreement, I believe that on balance, it provides a net-plus for the working people of the United States. The reduction in tariffs and protection of intellectual property and trademarks will provide great benefit to hundreds of thousands of U.S. jobs and further the global market share of their enterprises. Additionally, the relatively balanced nature of the U.S.-Morocco free-trade agreement sets a valuable example with the other developing countries around the world.

The removal of tariffs on 95 percent of bilateral trade on the day of enactment should greatly benefit the majority of U.S. industries and their employees. Given that Morocco currently places a 20 percent duty on U.S. exports while the U.S. only assigns a four percent tariff on Moroccan exports this agreement makes a strong initial push for free and open trade. With strong U.S. industries like information technology, machinery and construction equipment poised to gain immediate duty-free access to Morocco; the U.S. should see positive gains in exports to Morocco in the near future.

The domestic farming community will see tariffs on a large number of agriculture products cut significantly or eliminated immediately. The reduction of tariffs and the implementation of new tariff-rate quotas on products like beef, poultry and wheat will likely result in a tremendous growth in the amount of U.S. agriculture products exported to Morocco.

The U.S. has had a difficult time convincing its trading partners to actively protect intellectual property and fully prosecute those found to be pirating or counterfeiting U.S. software, movies and music. I am pleased the Morocco agreement establishes new protections for intellectual property rights and increases penalties for those found to engage in the piracy and counterfeiting of U.S. products.

Finally, the enactment of the U.S.-Morocco free-trade agreement sends a powerful message to developing nations around the world. It is a clear indication that the U.S. is interested in developing mutually beneficial economic and trade relationships that can result in greater access to the U.S. market and hopefully closer ties with the U.S. Agreements like the Morocco trade pact provide a clear example for those countries in Africa and the Middle East willing to make political and economic reforms.

In closing, I will vote in favor of the U.S.-Morocco free-trade agreement because comprehensively, it is beneficial to the U.S. business community. The reduction of tariffs and increased access to markets will improve the profitability of many U.S. companies and provide an example for future agreements with tolerant, reform-minded, developing nations. This could have been an outstanding, purely positive agreement, rather than a good agreement on balance.

Mr. MCCAIN. Mr. President, the United States has enjoyed a close relationship with Morocco since 1777, when Morocco became the first nation to recognize the sovereignty of our fledgling Government. Since then we have stood together through thick and thin, and Morocco today remains one of America's dear friends. This free-trade agreement, FTA, will further strengthen the bond between our two nations, and illustrates the benefits of greater economic ties with countries in the greater Middle East.

Initially, the decision to begin negotiations with Morocco was controversial. But Morocco's economic liberalization and political reform efforts, combined with its role as a stabilizing force in the region, made the decision a simple one.

The trade negotiations produced an agreement that will render more than 95 percent of bilateral trade in consumer and industrial products duty-free immediately. U.S. investors in Morocco will be increasingly able to rely on a secure, predictable legal framework mandated by the FTA. U.S. banks, insurance companies, telecommunications companies and others will get new access to markets within Morocco.

In addition, U.S. firms are guaranteed a fair and transparent process for selling goods and services to a wide range of Moroccan Government entities, via the FTA's government contracting anti-corruption provisions. These kinds of measures are what we expect from a free-trade agreement. Unfortunately, this agreement also

contains protectionist language antithetical to the tenets of free trade.

As with the Australian FTA approved by the Senate last week, and the Singapore agreement that went into effect in January, the United States Trade Representative included language that could impair Congress's ability to pass and implement drug importation legislation. Such legislation is not only something Congress has worked on for the past several years, but has also enacted.

The provisions USTR slipped into the Singapore, Australia and Morocco FTAs have significant implications for drug importation. Let us be clear about this language—it is antifree trade, serves only to block American consumers from accessing lower cost goods and services, and contravenes clear congressional intent.

Congress has repeatedly voted, with bipartisan majorities, to allow drug importation. States and local governments are doing the same. An overwhelming majority of Americans believe that they have a right to import more affordable medicines. So a simple question comes to mind: what is our Trade Representative, who is charged with representing the interests of the American people, doing? Why deliberately include language in bilateral trade agreements that could thwart importation efforts? Why flagrantly disregard the intent of Americans and their elected representatives? It seems to me that the special interests have again found friendly territory.

When Americans wonder how this continues to happen, they should take a glance at the list of intellectual property ''advisors'' that worked with the negotiators. These advisors include representatives from drug companies, the pharmaceutical industry as a whole, and other lobbyists with a direct interest in blocking drug importation. How many public health and consumer advocacy groups were included on this committee? Zero.

The Singapore FTA was the first free-trade agreement to include language that could impact drug importation. The Morocco FTA must be the last.

Our trade negotiators must be less mindful of special interests and more responsive to the express intent of the Congress. We granted the President trade promotion authority, TPA, in 2002 to demonstrate our Nation's re-energized commitment to negotiating strong free-trade agreements. TPA was designed to lead to free trade, not more protection.

This agreement is not the first in which the administration has made use of TPA to promote its politically expedient policy priorities. Last year, immigration provisions were included in the Singapore and Chile FTAs. If the Administration is to continue to enjoy the privilege of TPA, trade agreements must no longer be vehicles that include items rightfully addressed by Congress under the Constitution.

The United States has been and should be the leading promoter of an open global marketplace. Steel tariffs, agricultural subsidies in the farm bill, and other forms of protection, however, have damaged America's free-trade credentials. If special interest carve-outs, like the one for the pharmaceutical industry in this FTA, continue to pollute our trade agreements, we will all be worse off. Our economy will suffer and our leadership role on trade will further decline.

I will vote yes, but let me reiterate what I said last week with respect to the Australia agreement: Should another FTA being negotiated now or in the future come before the Senate with similar protections for special interests, I will find it even more difficult to vote in favor of it.

Mr. LEVIN. Mr. President, I am disappointed to see that the U.S.-Morocco Free-Trade Agreement contains patent protection language similar to that contained in the U.S.-Australia Free-Trade Agreement. Although I will not oppose this agreement on this one basis, I will oppose the use of this language as a precedent for any future free-trade agreement.

Mr. FEINGOLD. Mr. President, I opposed the Morocco free-trade agreement. Unfortunately, it is one more in what has become an increasing number of deeply flawed trade agreements. These agreements continue to jeopardize U.S. jobs and businesses. They undermine environmental, health, and safety protections. They hinder our ability to loosen restrictions on reimportation of FDA-approved prescription drugs. They limit our ability to use our tax dollars to help our own businesses and workers through buy American policies, and to discourage corporations from reincorporating overseas, and they limit the ability of our democratic institutions to regulate essential services.

But though I opposed this trade agreement, I want to underscore my firm belief that our bilateral relationship with Morocco is extremely important. We need our Moroccan partners if we are to succeed in pursuing our first foreign policy priority: the fight against al-Qaida and associated global terrorist organizations. The United States cannot afford to ignore this critical North African ally which has suffered, as we have, brutal terrorist attacks. We cannot fight terrorists without a strong international coalition sharing crucial intelligence, drying up sources of financial and political support for terrorism, and tracking down terrorist leaders. In order to have a strong partner to count on, the U.S. must support the Moroccan people in their fight for basic human rights, their efforts to combat corruption, and their work to create the kinds of economic opportunities that the country's large population of youth need. Without these efforts, this population will stagnate and resentment will grow. The U.S. should be cultivating future partners in Morocco, not future antagonists.

Mr. LAUTENBERG. Mr. President, this Free Trade Agreement should have been easy for me to support.

It is an agreement with a moderate Arab nation, an FTA that will integrate Morocco's economy with that of America. This FTA will aid Morocco's economy, strengthen our ties with the Kingdom, and help to bolster the contention that market economics can lead to a peaceful and prosperous moderate Islam.

What troubles me is the Bush administration's ongoing inattention to the labor and environmental protections in trade agreements, which is inexcusable. This administration has refused to live up to the gold standard on labor and environmental protections, a standard set by the Clinton administration when it negotiated the United States-Jordan Free Trade Agreement.

Instead, President Bush and U.S. Trade Representative Robert Zoellick have backtracked, endorsing less stringent protections in agreements with Chile and Singapore. The administration ignored the disapproval of many in Congress of those provisions. Stunningly, the administration did not include Jordan-style provisions in the Morocco agreement, even though Moroccan officials announced they would be willing to accept them.

In short, President Bush settled for weaker protections than he could have gotten, and he did it for what would seem to be no reason other than to antagonize labor groups, environmental groups and some in Congress. I find that deplorable.

Despite the shortcomings of this agreement, however, and because Morocco is making progress on its labor and environmental laws, I will support this FTA to strengthen our ties with a moderate Arab nation that has been a good global citizen.

Mr. BURNS. I have always said that I support free trade, as long as it is fair trade. The Morocco free-trade agreement before us today is an excellent example of that principle. Once this agreement goes into effect, 95 percent of the tariffs on consumer and industrial goods are eliminated, with the remaining tariffs eliminated in 9 years. This deal represents the best access to a developing country yet. I applaud Ambassador Zoellick for his hard work in achieving a balanced free trade agreement that provides significant benefits to both trade partners.

Morocco imports more than $11 billion in goods each year, with $475 million coming from the United States. We have an opportunity to increase the United States presence in this emerging market. Current circumstances are certainly less than ideal for American goods: imports from the United States face a stiff tariff, over 20 percent. In Montana, we have not yet benefited from trade with Morocco, and I can only hope that passage of this agreement today will allow us to begin exploring the advantages that it can offer

Montanans and Moroccans alike, without unreasonable tariff barriers for our products.

I am especially pleased at the agriculture provisions in this FTA. Too often, free trade agreements represent a losing deal for Montana's farmers and ranchers, but I believe this agreement shows a commitment to fair trade for agriculture. In 2003, the United States exported over $152 million in agricultural products to Morocco. Under this agreement, that number could more than double, and I expect that some of that increase will be Montana beef and grains. According to an analysis by the American Farm Bureau Federation, ''the agreement is expected to result in a 10-to-1 gain for the U.S. agriculture sector, which already enjoys a positive trade balance with Morocco.''

I commend the Trade Representative for the wheat provisions in this FTA. I know that Morocco expressed some serious concerns about negotiating access for U.S. wheat, and Ambassador Zoellick worked hard to keep wheat on the table. Under this agreement, U.S. wheat exports could experience a fivefold increase. At the same time, the Agreement is sensitive to Moroccan domestic wheat producers. While we would always prefer tariffs to be completely eliminated, the expansion of tariff rate quotas, TRQs, in this agreement will allow Montana wheat producers vastly expanded access to Moroccan markets. Currently, wheat tariffs on U.S. exports to Morocco run as high as 135 percent. The commitments to reduce tariffs and expand TRQs are positive changes for our wheat producers.

In addition, the agreement includes an important provision that ensures long-term fair access. If Morocco provides other trading partners preferential access that is better than what we have here today, Morocco has agreed to immediately extend that treatment to the same U.S. product. This guarantees a level playing field for our agriculture producers. Finally, Morocco has also agreed to work with us at the WTO negotiations to limit the trade-distorting power of state trading enterprises. This is the same agreement that we secured in the Australia Free Trade Agreement approved last week. I am pleased to see a growing international consensus that state trading enterprises, like the Canadian Wheat Board, must be addressed to provide for real free and fair trade. I urge Ambassador Zoellick to continue focusing on this important issue.

Montana cattle producers also stand to benefit from this deal. Access to Moroccan markets for high quality beef—the kind of beef American cattle producers are known for is greatly increased. Tariffs on U.S. beef are often as high as 275 percent. The commitment to reduce these tariffs and to expand TRQs will allow domestic cattle producers to send prime and choice beef into Morocco hotels and restaurants, providing Morocco substantial tourism industry with the quality it demands. In addition, Morocco has agreed to accept U.S. inspection standards for beef, which will allow our products immediate access to Moroccan markets. This is a fair deal for our cattle producers.

In addition to the benefits to agriculture, service providers, such as telecommunications and construction, will have enhanced access to Moroccan markets. Telecommunications will be provided with non discriminatory access to the network. Intellectual property protection is provided, as are agreements on labor and environmental standards. The Morocco free-trade agreement represents an important step toward the President's goal of establishing a Middle East Free Trade Area, and I am pleased to offer my support.

Mr. BAUCUS. Mr. President, I spoke yesterday about the Morocco free-trade agreement and its benefits for both the United States and Morocco.

I hope and expect that when we vote on the Morocco implementing bill, the bill will pass by an overwhelming margin.

That is a fitting way to cap a busy month on trade and head into the summer recess.

As I look back at the accomplishments on trade since the beginning of the year, I am pleased at how much we have done. It would be considered a full plate in any year, but in an election year, it is especially gratifying to have achieved so much.

We passed the JOBS Bill, a complex tax measure that will help create jobs in America and bring the United States into compliance with the WTO. That bill passed the Senate overwhelmingly with 92 votes.

We extended and enhanced an important trade and development program for Africa—the Africa Growth and Opportunity Act through a unanimous vote.

We created a different trade and development program for Haiti, also through a unanimous vote.

And of course, just last week, we passed the Australia free-trade agreement implementing bill with 80 votes.

It has been a busy year.

I am heartened by the strong votes all these measures attracted. No victory is ever easy. They are hard fought by people working every day to do the right thing.

I want to congratulate Senator GRASSLEY and his staff for their leadership, and Ambassador Zoellick and his excellent negotiating team for all their hard work.

As I look ahead, there will be some difficult issues to confront. I believe we have more work to do to rebuild a strong consensus on trade. We could do better on both the substance of trade agreements and on the process of considering them.

I also believe we should be devoting more of our resources toward enforcing trade agreements we already have.

But today, I would like to focus on our successes on all we have already accomplished, and on what we are about to do.

When we vote to approve the Morocco legislation, we will be solidifying our oldest diplomatic relationship in the world.

We will be giving reform-minded governments in developing countries around the world incentive to redouble their efforts to modernize their economies.

We will also be setting a new standard for agreements with developing countries in a variety of important areas. These include intellectual property, market access, and even agriculture.

The Morocco agreement is a good agreement. I urge my colleagues to vote for it.

Mr. GRASSLEY. Mr. President, just over 2 months ago I expressed my interest in seeing both the U.S.-Australia and the U.S.-Morocco free-trade agreements pass the Congress by the August recess. A lot of people resisted this effort, arguing that it would be impossible for both the House and Senate to hold hearings, prepare the legislation, conduct mock mark-ups, report the bills, and pass implementing legislation for two free trade agreements in just two months. While the task was indeed difficult, I am very pleased to say that we are on the verge of achieving my goal today.

In just a few moments the U.S. Senate will have an historic opportunity to strengthen our relations with Morocco with the passage of the United States-Morocco Free-Trade Agreement Implementation Act. While nothing is certain, I expect this legislation to pass with strong bipartisan support. Passage of this legislation follows on the heels of a strong Senate vote in favor of the United States-Australia Free-Trade Agreement last week. The Australia bill itself was preceded by renewal and extension of the Africa Growth and Opportunity Act, which passed the Senate by unanimous consent on June 24 of this year. Prior to that, the Senate was able to work out its differences and pass the JOBS Act by a vote of 92 to 5. I will note that each of these bills passed in an election year, a year in which many pundits argued that nothing would get done. I also want to point out the broad bipartisan support which each of these bills received. In my mind, it is that element—bipartisanship—that is the key to our success.

I want to thank my ranking member, Senator BAUCUS, and the members of the Finance Committee for working with me to bring these bills to fruition. There are a lot of demands placed upon Finance Committee members and their staffs, and I appreciate their hard work and dedication in helping us produce legislation that will receive broad bipartisan support in the Senate.

Turning to the bill at hand, passage of the United States-Morocco Free-

Trade Agreement Implementation Act will help strengthen our relationship with a long-standing friend and ally of the United States. For over two hundred years, our two nations have enjoyed a strong and mutually beneficial relationship. Today, Morocco is a country in transition. It is a country that recognizes that its long-term economic prosperity lies not in shutting itself off to the world, but in opening up to the world. It is in large part Morocco's willingness to embrace free market and democratic principles that led President Bush to select Morocco as a potential free trade partner. This free-trade agreement will help lock in and hasten reforms that the Moroccan Government embraced on its own initiative. I am confident that this agreement will spur growth and opportunity for Morocco and its people.

This trade agreement is also very good for the United States, especially U.S. agriculture. Implementation of the agreement is expected to help advance U.S. agriculture exports to Morocco to unprecedented heights, enabling us to better compete with the European Union, Canada, and South America in the Moroccan market.

Many people worked hard to see today's vote become a reality. First and foremost, this would not have happened without the leadership of President George W. Bush. As I have noted before, President Bush is committed to building the U.S. economy by opening the world's markets to U.S. goods and services. The United States-Morocco Free-Trade Agreement is just the latest of his achievements in this regard.

The United States Trade Representative, Ambassador Robert B. Zoellick, also merits special recognition and commendation for his efforts in negotiating this agreement. His commitment to expanding U.S. trade opportunities is steadfast, for which I am grateful. I also want to express my thanks to John Veroneau, the general counsel in the Office of United States Trade Representative, Matt Niemeyer, the Assistant U.S. Trade Representative for Congressional Affairs, and Lisa Coen, Deputy Assistant U.S. Trade Representative for Congressional Affairs, for their many efforts to ensure that the committee was fully apprised of developments during the negotiations and their efforts to resolve concerns raised by members as the committee informally considered proposed implementing legislation for this trade agreement. In addition, I thank Michael Smythers, a special assistant to the President working in the White House Office of Legislative Affairs, for his efforts to facilitate our consideration of this implementing legislation.

I commend my colleagues on the Finance Committee for their interest in seeing that this trade agreement was concluded and that the implementing legislation was passed without delay. I would like to extend a special thanks to the ranking member of the committee, Senator BAUCUS. We have worked together over the years to expand trade opportunities for the benefit of U.S. farmers, ranchers, manufacturers, and service workers, and to benefit U.S. consumers. I am quite pleased with the outcome of our current efforts with the imminent passage of this implementing bill today.

My trade staff on the Finance Committee worked diligently over the past several weeks on developing the implementing bill and other materials connected with it. My goal was to have this legislation passed prior to the August recess, and they were instrumental in making this happen. Moreover, my trade staff engaged in consultations with officials from the Office of the United States Trade Representative throughout the negotiations, which began way back in January 2003, so this has been a long process for them. I greatly appreciate their hard work.

My chief counsel and staff director, Kolan Davis, deserves recognition. His dedication and skills are instrumental in advancing the Finance Committee's agenda. The Chief International Trade Counsel of the Finance Committee, Everett Eissenstat, also deserves special mention. His expertise in trade policy and his ability to juggle multiple trade priorities simultaneously are key to the Committee's success. I would also like to recognize the other members of my trade staff—my two trade counsels, David Johanson and Stephen Schaefer, for their invaluable technical assistance throughout this process. Additionally, the work of Zach Paulsen, Dan Shepherdson, and Tiffany McCullen, is appreciated, for their dedication to the Finance Committee's work and to the people of Iowa. Without the diligence and hard work of my staff, we would not be at the point we are today.

Senator BAUCUS' trade staff also deserves recognition. The Democratic staff director on the Finance Committee, Russ Sullivan, and the deputy staff director, Bill Dauster, worked well with my staff throughout the process. I also appreciate the efforts of Tim Punke, Senator BAUCUS' Chief International Trade Counsel, as well as Brian Pomper, John Gilliland, Shara Aranoff, Sara Andrews, and Pascal Niedermann.

Finally, I would like to thank Polly Craighill of the Office of the Senate Legislative Counsel for the many hours she put into drafting the implementing bill. Without her patience, hard work, and drafting skills, today's vote would not have been possible.

I look forward to the signing of this legislation into law by President Bush.

Mr. ALEXANDER. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second.

There is a sufficient second.

The bill having been read the third time, the question is, Shall the bill pass?

The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from North Carolina (Mr. EDWARDS) and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 85, nays 13, as follows:

[Rollcall Vote No. 159 Leg.]

YEAS—85

Alexander	Dayton	Lugar
Allard	DeWine	McCain
Allen	Dodd	McConnell
Baucus	Domenici	Mikulski
Bayh	Durbin	Miller
Bennett	Ensign	Murkowski
Biden	Enzi	Murray
Bingaman	Feinstein	Nelson (FL)
Bond	Fitzgerald	Nelson (NE)
Boxer	Frist	Nickles
Breaux	Graham (FL)	Pryor
Brownback	Grassley	Reed
Bunning	Gregg	Roberts
Burns	Hagel	Rockefeller
Campbell	Hatch	Santorum
Cantwell	Hutchison	Sarbanes
Carper	Inhofe	Schumer
Chafee	Inouye	Smith
Chambliss	Jeffords	Snowe
Clinton	Johnson	Specter
Cochran	Kennedy	Stabenow
Coleman	Kohl	Stevens
Collins	Kyl	Sununu
Conrad	Landrieu	Talent
Cornyn	Lautenberg	Thomas
Corzine	Levin	Warner
Craig	Lieberman	Wyden
Crapo	Lincoln	
Daschle	Lott	

NAYS—13

Akaka	Graham (SC)	Sessions
Byrd	Harkin	Shelby
Dole	Hollings	Voinovich
Dorgan	Leahy	
Feingold	Reid	

NOT VOTING—2

Edwards	Kerry

The bill (S. 2677) was passed, as follows:

S. 2677

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''United States-Morocco Free Trade Agreement Implementation Act''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

SEC. 2. PURPOSES.

The purposes of this Act are—

(1) to approve and implement the Free Trade Agreement between the United States and Morocco entered into under the authority of section 2103(b) of the Bipartisan Trade Promotion Authority Act of 2002 (19 U.S.C. 3803(b));

(2) to strengthen and develop economic relations between the United States and Morocco for their mutual benefit;

(3) to establish free trade between the 2 nations through the reduction and elimination of barriers to trade in goods and services and to investment; and

(4) to lay the foundation for further cooperation to expand and enhance the benefits of such Agreement.

SEC. 3. DEFINITIONS.

In this Act:

(1) AGREEMENT.—The term ''Agreement'' means the United States-Morocco Free Trade Agreement approved by Congress under section 101(a)(1).

(2) HTS.—The term ''HTS'' means the Harmonized Tariff Schedule of the United States.

(3) TEXTILE OR APPAREL GOOD.—The term ''textile or apparel good'' means a good listed in the Annex to the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(4)).

TITLE I—APPROVAL OF, AND GENERAL PROVISIONS RELATING TO, THE AGREEMENT

SEC. 101. APPROVAL AND ENTRY INTO FORCE OF THE AGREEMENT.

(a) APPROVAL OF AGREEMENT AND STATEMENT OF ADMINISTRATIVE ACTION.—Pursuant to section 2105 of the Bipartisan Trade Promotion Authority Act of 2002 (19 U.S.C. 3805) and section 151 of the Trade Act of 1974 (19 U.S.C. 2191), Congress approves—

(1) the United States-Morocco Free Trade Agreement entered into on June 15, 2004, with Morocco and submitted to Congress on _____, 2004; and

(2) the statement of administrative action proposed to implement the Agreement that was submitted to Congress on _____, 2004.

(b) CONDITIONS FOR ENTRY INTO FORCE OF THE AGREEMENT.—At such time as the President determines that Morocco has taken measures necessary to bring it into compliance with those provisions of the Agreement that are to take effect on the date on which the Agreement enters into force, the President is authorized to exchange notes with the Government of Morocco providing for the entry into force, on or after January 1, 2005, of the Agreement with respect to the United States.

SEC. 102. RELATIONSHIP OF THE AGREEMENT TO UNITED STATES AND STATE LAW.

(a) RELATIONSHIP OF AGREEMENT TO UNITED STATES LAW.—

(1) UNITED STATES LAW TO PREVAIL IN CONFLICT.—No provision of the Agreement, nor the application of any such provision to any person or circumstance, which is inconsistent with any law of the United States shall have effect.

(2) CONSTRUCTION.—Nothing in this Act shall be construed—

(A) to amend or modify any law of the United States, or

(B) to limit any authority conferred under any law of the United States,

unless specifically provided for in this Act.

(b) RELATIONSHIP OF AGREEMENT TO STATE LAW.—

(1) LEGAL CHALLENGE.—No State law, or the application thereof, may be declared invalid as to any person or circumstance on the ground that the provision or application is inconsistent with the Agreement, except in an action brought by the United States for the purpose of declaring such law or application invalid.

(2) DEFINITION OF STATE LAW.—For purposes of this subsection, the term ''State law'' includes—

(A) any law of a political subdivision of a State; and

(B) any State law regulating or taxing the business of insurance.

(c) EFFECT OF AGREEMENT WITH RESPECT TO PRIVATE REMEDIES.—No person other than the United States—

(1) shall have any cause of action or defense under the Agreement or by virtue of congressional approval thereof; or

(2) may challenge, in any action brought under any provision of law, any action or inaction by any department, agency, or other instrumentality of the United States, any State, or any political subdivision of a State, on the ground that such action or inaction is inconsistent with the Agreement.

SEC. 103. IMPLEMENTING ACTIONS IN ANTICIPATION OF ENTRY INTO FORCE AND INITIAL REGULATIONS.

(a) IMPLEMENTING ACTIONS.—

(1) PROCLAMATION AUTHORITY.—After the date of the enactment of this Act—

(A) the President may proclaim such actions, and

(B) other appropriate officers of the United States Government may issue such regulations,

as may be necessary to ensure that any provision of this Act, or amendment made by this Act, that takes effect on the date the Agreement enters into force is appropriately implemented on such date, but no such proclamation or regulation may have an effective date earlier than the date the Agreement enters into force.

(2) EFFECTIVE DATE OF CERTAIN PROCLAIMED ACTIONS.—Any action proclaimed by the President under the authority of this Act that is not subject to the consultation and layover provisions under section 104 may not take effect before the 15th day after the date on which the text of the proclamation is published in the Federal Register.

(3) WAIVER OF 15-DAY RESTRICTION.—The 15-day restriction in paragraph (2) on the taking effect of proclaimed actions is waived to the extent that the application of such restriction would prevent the taking effect on the date the Agreement enters into force of any action proclaimed under this section.

(b) INITIAL REGULATIONS.—Initial regulations necessary or appropriate to carry out the actions required by or authorized under this Act or proposed in the statement of administrative action submitted under section 101(a)(2) to implement the Agreement shall, to the maximum extent feasible, be issued within 1 year after the date on which the Agreement enters into force. In the case of any implementing action that takes effect on a date after the date on which the Agreement enters into force, initial regulations to carry out that action shall, to the maximum extent feasible, be issued within 1 year after such effective date.

SEC. 104. CONSULTATION AND LAYOVER PROVISIONS FOR, AND EFFECTIVE DATE OF, PROCLAIMED ACTIONS.

If a provision of this Act provides that the implementation of an action by the President by proclamation is subject to the consultation and layover requirements of this section, such action may be proclaimed only if—

(1) the President has obtained advice regarding the proposed action from—

(A) the appropriate advisory committees established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155); and

(B) the United States International Trade Commission;

(2) the President has submitted to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report that sets forth—

(A) the action proposed to be proclaimed and the reasons therefor; and

(B) the advice obtained under paragraph (1);

(3) a period of 60 calendar days, beginning on the first day on which the requirements set forth in paragraphs (1) and (2) have been met has expired; and

(4) the President has consulted with such Committees regarding the proposed action during the period referred to in paragraph (3).

SEC. 105. ADMINISTRATION OF DISPUTE SETTLEMENT PROCEEDINGS.

(a) ESTABLISHMENT OR DESIGNATION OF OFFICE.—The President is authorized to establish or designate within the Department of Commerce an office that shall be responsible for providing administrative assistance to panels established under chapter 20 of the Agreement. The office may not be considered to be an agency for purposes of section 552 of title 5, United States Code.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each fiscal year after fiscal year 2004 to the Department of Commerce such sums as may be necessary for the establishment and operations of the office under subsection (a) and for the payment of the United States share of the expenses of panels established under chapter 20 of the Agreement.

SEC. 106. ARBITRATION OF CLAIMS.

The United States is authorized to resolve any claim against the United States covered by article 10.15.1(a)(i)(C) or article 10.15.1(b)(i)(C) of the Agreement, pursuant to the Investor-State Dispute Settlement procedures set forth in section B of chapter 10 of the Agreement.

SEC. 107. EFFECTIVE DATES; EFFECT OF TERMINATION.

(a) EFFECTIVE DATES.—Except as provided in subsection (b), the provisions of this Act and the amendments made by this Act take effect on the date the Agreement enters into force.

(b) EXCEPTIONS.—Sections 1 through 3 and this title take effect on the date of the enactment of this Act.

(c) TERMINATION OF THE AGREEMENT.—On the date on which the Agreement terminates, the provisions of this Act (other than

this subsection) and the amendments made by this Act shall cease to be effective.

TITLE II—CUSTOMS PROVISIONS

SEC. 201. TARIFF MODIFICATIONS.

(a) TARIFF MODIFICATIONS PROVIDED FOR IN THE AGREEMENT.—

(1) PROCLAMATION AUTHORITY.—The President may proclaim—

(A) such modifications or continuation of any duty,

(B) such continuation of duty-free or excise treatment, or

(C) such additional duties,

as the President determines to be necessary or appropriate to carry out or apply articles 2.3, 2.5, 2.6, 4.1, 4.3.9, 4.3.10, 4.3.11, 4.3.13, 4.3.14, and 4.3.15, and Annex IV of the Agreement.

(2) EFFECT ON MOROCCAN GSP STATUS.—Notwithstanding section 502(a)(1) of the Trade Act of 1974 (19 U.S.C. 2462(a)(1)), the President shall terminate the designation of Morocco as a beneficiary developing country for purposes of title V of the Trade Act of 1974 on the date of entry into force of the Agreement.

(b) OTHER TARIFF MODIFICATIONS.—Subject to the consultation and layover provisions of section 104, the President may proclaim—

(1) such modifications or continuation of any duty,

(2) such modifications as the United States may agree to with Morocco regarding the staging of any duty treatment set forth in Annex IV of the Agreement,

(3) such continuation of duty-free or excise treatment, or

(4) such additional duties,

as the President determines to be necessary or appropriate to maintain the general level of reciprocal and mutually advantageous concessions with respect to Morocco provided for by the Agreement.

(c) CONVERSION TO AD VALOREM RATES.—For purposes of subsections (a) and (b), with respect to any good for which the base rate in the Tariff Schedule of the United States to Annex IV of the Agreement is a specific or compound rate of duty, the President may substitute for the base rate an ad valorem rate that the President determines to be equivalent to the base rate.

SEC. 202. ADDITIONAL DUTIES ON CERTAIN AGRICULTURAL GOODS.

(a) DEFINITIONS.—In this section:

(1) AGRICULTURAL SAFEGUARD GOOD.—The term ''agricultural safeguard good'' means a good—

(A) that qualifies as an originating good under section 203;

(B) that is included in the U.S. Agricultural Safeguard List set forth in Annex 3–A of the Agreement; and

(C) for which a claim for preferential treatment under the Agreement has been made.

(2) APPLICABLE NTR (MFN) RATE OF DUTY.—The term ''applicable NTR (MFN) rate of duty'' means, with respect to an agricultural safeguard good, a rate of duty that is the lesser of—

(A) the column 1 general rate of duty that would have been imposed under the HTS on the same agricultural safeguard good entered, without a claim for preferential tariff treatment, on the date on which the additional duty is imposed under subsection (b); or

(B) the column 1 general rate of duty that would have been imposed under the HTS on the same agricultural safeguard good entered, without a claim for preferential tariff treatment, on December 31, 2004.

(3) F.O.B.—The term ''F.O.B.'' means free on board, regardless of the mode of transportation, at the point of direct shipment by the seller to the buyer.

(4) SCHEDULE RATE OF DUTY.—The term ''schedule rate of duty'' means, with respect to an agricultural safeguard good, the rate of duty for that good set out in the Tariff Schedule of the United States to Annex IV of the Agreement.

(5) TRIGGER PRICE.—The ''trigger price'' for a good means the trigger price indicated for that good in the U.S. Agricultural Safeguard List set forth in Annex 3–A of the Agreement or any amendment thereto.

(6) UNIT IMPORT PRICE.—The ''unit import price'' of a good means the price of the good determined on the basis of the F.O.B. import price of the good, expressed in either dollars per kilogram or dollars per liter, whichever unit of measure is indicated for the good in the U.S. Agricultural Safeguard List set forth in Annex 3–A of the Agreement.

(b) ADDITIONAL DUTIES ON AGRICULTURAL SAFEGUARD GOODS.—

(1) ADDITIONAL DUTIES.—In addition to any duty proclaimed under subsection (a) or (b) of section 201, and subject to paragraphs (3), (4), (5), and (6) of this subsection, the Secretary of the Treasury shall assess a duty on an agricultural safeguard good, in the amount determined under paragraph (2), if the Secretary determines that the unit import price of the good when it enters the United States is less than the trigger price for that good.

(2) CALCULATION OF ADDITIONAL DUTY.—The additional duty assessed under this subsection on an agricultural safeguard good shall be an amount determined in accordance with the following table:

If the excess of the trigger price over the unit import price is:	The additional duty is an amount equal to:
Not more than 10 percent of the trigger price.	0.
More than 10 percent but not more than 40 percent of the trigger price.	30 percent of the excess of the applicable NTR (MFN) rate of duty over the schedule rate of duty.
More than 40 percent but not more than 60 percent of the trigger price.	50 percent of such excess.
More than 60 percent but not more than 75 percent of the trigger price.	70 percent of such excess.
More than 75 percent of the trigger price.	100 percent of such excess.

(3) EXCEPTIONS.—No additional duty shall be assessed on a good under this subsection if, at the time of entry, the good is subject to import relief under—

(A) subtitle A of title III of this Act; or

(B) chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251 et seq.).

(4) TERMINATION.—The assessment of an additional duty on a good under this subsection shall cease to apply to that good on the date on which duty-free treatment must be provided to that good under the Tariff Schedule of the United States to Annex IV of the Agreement.

(5) TARIFF-RATE QUOTAS.—If an agricultural safeguard good is subject to a tariff-rate quota under the Agreement, any additional duty assessed under this subsection shall be applied only to over-quota imports of the good.

(6) NOTICE.—Not later than 60 days after the date on which the Secretary of the Treasury assesses an additional duty on a good under this subsection, the Secretary shall notify the Government of Morocco in writing of such action and shall provide to the Government of Morocco data supporting the assessment of additional duties.

SEC. 203. RULES OF ORIGIN.

(a) APPLICATION AND INTERPRETATION.—In this section:

(1) TARIFF CLASSIFICATION.—The basis for any tariff classification is the HTS.

(2) REFERENCE TO HTS.—Whenever in this section there is a reference to a heading or sub-heading, such reference shall be a reference to a heading or subheading of the HTS.

(b) ORIGINATING GOODS.—

(1) IN GENERAL.—For purposes of this Act and for purposes of implementing the preferential tariff treatment provided for under the Agreement, a good is an originating good if—

(A) the good is imported directly—

(i) from the territory of Morocco into the territory of the United States; or

(ii) from the territory of the United States into the territory of Morocco; and

(B)(i) the good is a good wholly the growth, product, or manufacture of Morocco or the United States, or both;

(ii) the good (other than a good to which clause (iii) applies) is a new or different article of commerce that has been grown, produced, or manufactured in Morocco, the United States, or both, and meets the requirements of paragraph (2); or

(iii)(I) the good is a good covered by Annex 4–A or 5–A of the Agreement;

(II)(aa) each of the nonoriginating materials used in the production of the good undergoes an applicable change in tariff classification specified in such Annex as a result of production occurring entirely in the territory of Morocco or the United States, or both; or

(bb) the good otherwise satisfies the requirements specified in such Annex; and

(III) the good satisfies all other applicable requirements of this section.

(2) REQUIREMENTS.—A good described in paragraph (1)(B)(ii) is an originating good only if the sum of—

(A) the value of each material produced in the territory of Morocco or the United States, or both, and

(B) the direct costs of processing operations performed in the territory of Morocco or the United States, or both,

is not less than 35 percent of the appraised value of the good at the time the good is entered into the territory of the United States.

(c) CUMULATION.—

(1) ORIGINATING GOOD OR MATERIAL INCORPORATED INTO GOODS OF OTHER COUNTRY.—An originating good or a material produced in the territory of Morocco or the United States, or both, that is incorporated into a good in the territory of the other country shall be considered to originate in the territory of the other country.

(2) MULTIPLE PROCEDURES.—A good that is grown, produced, or manufactured in the territory of Morocco or the United States, or both, by 1 or more producers, is an originating good if the good satisfies the requirements of subsection (b) and all other applicable requirements of this section.

(d) VALUE OF MATERIALS.—

(1) IN GENERAL.—Except as provided in paragraph (2), the value of a material produced in the territory of Morocco or the United States, or both, includes the following:

(A) The price actually paid or payable for the material by the producer of such good.

(B) The freight, insurance, packing, and all other costs incurred in transporting the material to the producer's plant, if such costs are not included in the price referred to in subparagraph (A).

(C) The cost of waste or spoilage resulting from the use of the material in the growth, production, or manufacture of the good, less the value of recoverable scrap.

(D) Taxes or customs duties imposed on the material by Morocco, the United States, or both, if the taxes or customs duties are not remitted upon exportation from the territory of Morocco or the United States, as the case may be.

(2) EXCEPTION.—If the relationship between the producer of a good and the seller of a material influenced the price actually paid or payable for the material, or if there is no price actually paid or payable by the producer for the material, the value of the material produced in the territory of Morocco or the United States, or both, includes the following:

(A) All expenses incurred in the growth, production, or manufacture of the material, including general expenses.

(B) A reasonable amount for profit.

(C) Freight, insurance, packing, and all other costs incurred in transporting the material to the producer's plant.

(e) PACKAGING AND PACKING MATERIALS AND CONTAINERS FOR RETAIL SALE AND FOR SHIPMENT.—Packaging and packing materials and containers for retail sale and shipment shall be disregarded in determining whether a good qualifies as an originating good, except to the extent that the value of such packaging and packing materials and containers have been included in meeting the requirements set forth in subsection (b)(2).

(f) INDIRECT MATERIALS.—Indirect materials shall be disregarded in determining whether a good qualifies as an originating good, except that the cost of such indirect materials may be included in meeting the requirements set forth in subsection (b)(2).

(g) TRANSIT AND TRANSSHIPMENT.—A good shall not be considered to meet the requirement of subsection (b)(1)(A) if, after exportation from the territory of Morocco or the United States, the good undergoes production, manufacturing, or any other operation outside the territory of Morocco or the United States, other than unloading, reloading, or any other operation necessary to preserve the good in good condition or to transport the good to the territory of the United States or Morocco.

(h) TEXTILE AND APPAREL GOODS.—

(1) DE MINIMIS AMOUNTS OF NONORIGINATING MATERIALS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), a textile or apparel good that is not an originating good because certain fibers or yarns used in the production of the component of the good that determines the tariff classification of the good do not undergo an applicable change in tariff classification set out in Annex 4–A of the Agreement shall be considered to be an originating good if the total weight of all such fibers or yarns in that component is not more than 7 percent of the total weight of that component.

(B) CERTAIN TEXTILE OR APPAREL GOODS.—A textile or apparel good containing elastomeric yarns in the component of the good that determines the tariff classification of the good shall be considered to be an originating good only if such yarns are wholly formed in the territory of Morocco or the United States.

(C) YARN, FABRIC, OR GROUP OF FIBERS.—For purposes of this paragraph, in the case of a textile or apparel good that is a yarn, fabric, or group of fibers, the term ''component of the good that determines the tariff classification of the good'' means all of the fibers in the yarn, fabric, or group of fibers.

(2) GOODS PUT UP IN SETS FOR RETAIL SALE.—Notwithstanding the rules set forth in Annex 4–A of the Agreement, textile or apparel goods classifiable as goods put up in sets for retail sale as provided for in General Rule of Interpretation 3 of the HTS shall not be considered to be originating goods unless each of the goods in the set is an originating good or the total value of the nonoriginating goods in the set does not exceed 10 percent of the value of the set determined for purposes of assessing customs duties.

(i) DEFINITIONS.—In this section:

(1) DIRECT COSTS OF PROCESSING OPERATIONS.—

(A) IN GENERAL.—The term ''direct costs of processing operations'', with respect to a good, includes, to the extent they are includable in the appraised value of the good when imported into Morocco or the United States, as the case may be, the following:

(i) All actual labor costs involved in the growth, production, or manufacture of the good, including fringe benefits, on-the-job training, and the costs of engineering, supervisory, quality control, and similar personnel.

(ii) Tools, dies, molds, and other indirect materials, and depreciation on machinery and equipment that are allocable to the good.

(iii) Research, development, design, engineering, and blueprint costs, to the extent that they are allocable to the good.

(iv) Costs of inspecting and testing the good.

(v) Costs of packaging the good for export to the territory of the other country.

(B) EXCEPTIONS.—The term ''direct costs of processing operations'' does not include costs that are not directly attributable to a good or are not costs of growth, production, or manufacture of the good, such as—

(i) profit; and

(ii) general expenses of doing business that are either not allocable to the good or are not related to the growth, production, or manufacture of the good, such as administrative salaries, casualty and liability insurance, advertising, and sales staff salaries, commissions, or expenses.

(2) GOOD.—The term ''good'' means any merchandise, product, article, or material.

(3) GOOD WHOLLY THE GROWTH, PRODUCT, OR MANUFACTURE OF MOROCCO, THE UNITED STATES, OR BOTH.—The term ''good wholly the growth, product, or manufacture of Morocco, the United States, or both'' means—

(A) a mineral good extracted in the territory of Morocco or the United States, or both;

(B) a vegetable good, as such a good is provided for in the HTS, harvested in the territory of Morocco or the United States, or both;

(C) a live animal born and raised in the territory of Morocco or the United States, or both;

(D) a good obtained from live animals raised in the territory of Morocco or the United States, or both;

(E) a good obtained from hunting, trapping, or fishing in the territory of Morocco or the United States, or both;

(F) a good (fish, shellfish, and other marine life) taken from the sea by vessels registered or recorded with Morocco or the United States and flying the flag of that country;

(G) a good produced from goods referred to in subparagraph (F) on board factory ships registered or recorded with Morocco or the United States and flying the flag of that country;

(H) a good taken by Morocco or the United States or a person of Morocco or the United States from the seabed or beneath the seabed outside territorial waters, if Morocco or the United States has rights to exploit such seabed;

(I) a good taken from outer space, if such good is obtained by Morocco or the United States or a person of Morocco or the United States and not processed in the territory of a country other than Morocco or the United States;

(J) waste and scrap derived from—

(i) production or manufacture in the territory of Morocco or the United States, or both; or

(ii) used goods collected in the territory of Morocco or the United States, or both, if such goods are fit only for the recovery of raw materials;

(K) a recovered good derived in the territory of Morocco or the United States from used goods and utilized in the territory of that country in the production of remanufactured goods; and

(L) a good produced in the territory of Morocco or the United States, or both, exclusively—

(i) from goods referred to in subparagraphs (A) through (J), or

(ii) from the derivatives of goods referred to in clause (i),

at any stage of production.

(4) INDIRECT MATERIAL.—The term ''indirect material'' means a good used in the growth, production, manufacture, testing, or inspection of a good but not physically incorporated into the good, or a good used in the maintenance of buildings or the operation of equipment associated with the growth, production, or manufacture of a good, including—

(A) fuel and energy;

(B) tools, dies, and molds;

(C) spare parts and materials used in the maintenance of equipment and buildings;

(D) lubricants, greases, compounding materials, and other materials used in the growth, production, or manufacture of a good or used to operate equipment and buildings;

(E) gloves, glasses, footwear, clothing, safety equipment, and supplies;

(F) equipment, devices, and supplies used for testing or inspecting the good;

(G) catalysts and solvents; and

(H) any other goods that are not incorporated into the good but the use of which in the growth, production, or manufacture of the good can reasonably be demonstrated to be a part of that growth, production, or manufacture.

(5) MATERIAL.—The term ''material'' means a good, including a part or ingredient, that is used in the growth, production, or manufacture of another good that is a new or different article of commerce that has been grown, produced, or manufactured in Morocco, the United States, or both.

(6) MATERIAL PRODUCED IN THE TERRITORY OF MOROCCO OR THE UNITED STATES, OR BOTH.—The term ''material produced in the territory of Morocco or the United States, or both'' means a good that is either wholly the growth, product, or manufacture of Morocco, the United States, or both, or a new or different article of commerce that has been grown, produced, or manufactured in the territory of Morocco or the United States, or both.

(7) NEW OR DIFFERENT ARTICLE OF COMMERCE.—

(A) IN GENERAL.—The term ''new or different article of commerce'' means, except as provided in subparagraph (B), a good that—

(i) has been substantially transformed from a good or material that is not wholly the growth, product, or manufacture of Morocco, the United States, or both; and

(ii) has a new name, character, or use distinct from the good or material from which it was transformed.

(B) EXCEPTION.—A good shall not be considered a new or different article of commerce by virtue of having undergone simple combining or packaging operations, or mere dilution with water or another substance that does not materially alter the characteristics of the good.

(8) RECOVERED GOODS.—The term ''recovered goods'' means materials in the form of individual parts that result from—

(A) the complete disassembly of used goods into individual parts; and

(B) the cleaning, inspecting, testing, or other processing of those parts that is necessary for improvement to sound working condition.

(9) REMANUFACTURED GOOD.—The term ''remanufactured good'' means an industrial good that is assembled in the territory of Morocco or the United States and that—

(A) is entirely or partially comprised of recovered goods;

(B) has a similar life expectancy to, and meets similar performance standards as, a like good that is new; and

(C) enjoys a factory warranty similar to that of a like good that is new.

(10) SIMPLE COMBINING OR PACKAGING OPERATIONS.—The term ''simple combining or packaging operations'' means operations such as adding batteries to electronic devices, fitting together a small number of components by bolting, gluing, or soldering, or packing or repacking components together.

(11) SUBSTANTIALLY TRANSFORMED.—The term ''substantially transformed'' means, with respect to a good or material, changed as the result of a manufacturing or processing operation so that—

(A)(i) the good or material is converted from a good that has multiple uses into a good or material that has limited uses;

(ii) the physical properties of the good or material are changed to a significant extent; or

(iii) the operation undergone by the good or material is complex by reason of the number of processes and materials involved and the time and level of skill required to perform those processes; and

(B) the good or material loses its separate identity in the manufacturing or processing operation.

(j) PRESIDENTIAL PROCLAMATION AUTHORITY.—

(1) IN GENERAL.—The President is authorized to proclaim, as part of the HTS—

(A) the provisions set out in Annex 4–A and Annex 5–A of the Agreement; and

(B) any additional subordinate category necessary to carry out this title consistent with the Agreement.

(2) MODIFICATIONS.—

(A) IN GENERAL.—Subject to the consultation and layover provisions of section 104, the President may proclaim modifications to the provisions proclaimed under the authority of paragraph (1)(A), other than provisions of chapters 50 through 63 of the HTS, as included in Annex 4–A of the Agreement.

(B) ADDITIONAL PROCLAMATIONS.—Notwithstanding subparagraph (A), and subject to the consultation and layover provisions of section 104, the President may proclaim—

(i) modifications to the provisions proclaimed under the authority of paragraph (1)(A) as are necessary to implement an agreement with Morocco pursuant to article 4.3.6 of the Agreement; and

(ii) before the end of the 1-year period beginning on the date of the enactment of this Act, modifications to correct any typographical, clerical, or other nonsubstantive technical error regarding the provisions of chapters 50 through 63 of the HTS, as included in Annex 4–A of the Agreement.

SEC. 204. ENFORCEMENT RELATING TO TRADE IN TEXTILE AND APPAREL GOODS.

(a) ACTION DURING VERIFICATION.—

(1) IN GENERAL.—If the Secretary of the Treasury requests the Government of Morocco to conduct a verification pursuant to article 4.4 of the Agreement for purposes of making a determination under paragraph (2), the President may direct the Secretary to take appropriate action described in subsection (b) while the verification is being conducted.

(2) DETERMINATION.—A determination under this paragraph is a determination—

(A) that an exporter or producer in Morocco is complying with applicable customs laws, regulations, procedures, requirements, or practices affecting trade in textile or apparel goods; or

(B) that a claim that a textile or apparel good exported or produced by such exporter or producer—

(i) qualifies as an originating good under section 203 of this Act, or

(ii) is a good of Morocco,

is accurate.

(b) APPROPRIATE ACTION DESCRIBED.—Appropriate action under subsection (a)(1) includes—

(1) suspension of liquidation of the entry of any textile or apparel good exported or produced by the person that is the subject of a verification referred to in subsection (a)(1) regarding compliance described in subsection (a)(2)(A), in a case in which the request for verification was based on a reasonable suspicion of unlawful activity related to such goods; and

(2) suspension of liquidation of the entry of a textile or apparel good for which a claim has been made that is the subject of a verification referred to in subsection (a)(1) regarding a claim described in subsection (a)(2)(B).

(c) ACTION WHEN INFORMATION IS INSUFFICIENT.—If the Secretary of the Treasury determines that the information obtained within 12 months after making a request for a verification under subsection (a)(1) is insufficient to make a determination under subsection (a)(2), the President may direct the Secretary to take appropriate action described in subsection (d) until such time as the Secretary receives information sufficient to make a determination under subsection (a)(2) or until such earlier date as the President may direct.

(d) APPROPRIATE ACTION DESCRIBED.—Appropriate action referred to in subsection (c) includes—

(1) publication of the name and address of the person that is the subject of the verification;

(2) denial of preferential tariff treatment under the Agreement to—

(A) any textile or apparel good exported or produced by the person that is the subject of a verification referred to in subsection (a)(1) regarding compliance described in subsection (a)(2)(A); or

(B) a textile or apparel good for which a claim has been made that is the subject of a verification referred to in subsection (a)(1) regarding a claim described in subsection (a)(2)(B); and

(3) denial of entry into the United States of—

(A) any textile or apparel good exported or produced by the person that is the subject of a verification referred to in subsection (a)(1) regarding compliance described in subsection (a)(2)(A); or

(B) a textile or apparel good for which a claim has been made that is the subject of a verification referred to in subsection (a)(1) regarding a claim described in subsection (a)(2)(B).

SEC. 205. REGULATIONS.

The Secretary of the Treasury shall prescribe such regulations as may be necessary to carry out—

(1) subsections (a) through (i) of section 203;

(2) amendments to existing law made by the subsections referred to in paragraph (1); and

(3) proclamations issued under section 203(j).

TITLE III—RELIEF FROM IMPORTS

SEC. 301. DEFINITIONS.

In this title:

(1) MOROCCAN ARTICLE.—The term ''Moroccan article'' means an article that qualifies as an originating good under section 203(b) of this Act or receives preferential tariff treatment under paragraphs 9 through 15 of article 4.3 of the Agreement.

(2) MOROCCAN TEXTILE OR APPAREL ARTICLE.—The term ''Moroccan textile or apparel article'' means an article that—

(A) is listed in the Annex to the Agreement on Textiles and Clothing referred to in section 101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(4)); and

(B) is a Moroccan article.

(3) COMMISSION.—The term ''Commission'' means the United States International Trade Commission.

Subtitle A—Relief From Imports Benefiting From the Agreement

SEC. 311. COMMENCING OF ACTION FOR RELIEF.

(a) FILING OF PETITION.—

(1) IN GENERAL.—A petition requesting action under this subtitle for the purpose of adjusting to the obligations of the United States under the Agreement may be filed with the Commission by an entity, including a trade association, firm, certified or recognized union, or group of workers, that is representative of an industry. The Commission shall transmit a copy of any petition filed under this subsection to the United States Trade Representative.

(2) PROVISIONAL RELIEF.—An entity filing a petition under this subsection may request that provisional relief be provided as if the petition had been filed under section 202(a) of the Trade Act of 1974 (19 U.S.C. 2252(a)).

(3) CRITICAL CIRCUMSTANCES.—Any allegation that critical circumstances exist shall be included in the petition.

(b) INVESTIGATION AND DETERMINATION.—Upon the filing of a petition under subsection (a), the Commission, unless subsection (d) applies, shall promptly initiate an investigation to determine whether, as a result of the reduction or elimination of a duty provided for under the Agreement, a Moroccan article is being imported into the United States in such increased quantities, in absolute terms or relative to domestic production, and under such conditions that imports of the Moroccan article constitute a substantial cause of serious injury or threat thereof to the domestic industry producing an article that is like, or directly competitive with, the imported article.

(c) APPLICABLE PROVISIONS.—The following provisions of section 202 of the Trade Act of 1974 (19 U.S.C. 2252) apply with respect to any investigation initiated under subsection (b):

(1) Paragraphs (1)(B) and (3) of subsection (b).

(2) Subsection (c).

(3) Subsection (d).

(4) Subsection (i).

(d) ARTICLES EXEMPT FROM INVESTIGATION.—No investigation may be initiated under this section with respect to any Moroccan article if, after the date on which the Agreement enters into force, import relief has been provided with respect to that Moroccan article under this subtitle.

SEC. 312. COMMISSION ACTION ON PETITION.

(a) DETERMINATION.—Not later than 120 days (180 days if critical circumstances have been alleged) after the date on which an investigation is initiated under section 311(b) with respect to a petition, the Commission shall make the determination required under that section.

(b) APPLICABLE PROVISIONS.—For purposes of this subtitle, the provisions of paragraphs (1), (2), and (3) of section 330(d) of the Tariff

Act of 1930 (19 U.S.C. 1330(d) (1), (2), and (3)) shall be applied with respect to determinations and findings made under this section as if such determinations and findings were made under section 202 of the Trade Act of 1974 (19 U.S.C. 2252).

(c) ADDITIONAL FINDING AND RECOMMENDATION IF DETERMINATION AFFIRMATIVE.—If the determination made by the Commission under subsection (a) with respect to imports of an article is affirmative, or if the President may consider a determination of the Commission to be an affirmative determination as provided for under paragraph (1) of section 330(d) of the Tariff Act of 1930) (19 U.S.C. 1330(d)), the Commission shall find, and recommend to the President in the report required under subsection (d), the amount of import relief that is necessary to remedy or prevent the injury found by the Commission in the determination and to facilitate the efforts of the domestic industry to make a positive adjustment to import competition. The import relief recommended by the Commission under this subsection shall be limited to that described in section 313(c). Only those members of the Commission who voted in the affirmative under subsection (a) are eligible to vote on the proposed action to remedy or prevent the injury found by the Commission. Members of the Commission who did not vote in the affirmative may submit, in the report required under subsection (d), separate views regarding what action, if any, should be taken to remedy or prevent the injury.

(d) REPORT TO PRESIDENT.—Not later than the date that is 30 days after the date on which a determination is made under subsection (a) with respect to an investigation, the Commission shall submit to the President a report that includes—

(1) the determination made under subsection (a) and an explanation of the basis for the determination;

(2) if the determination under subsection (a) is affirmative, any findings and recommendations for import relief made under subsection (c) and an explanation of the basis for each recommendation; and

(3) any dissenting or separate views by members of the Commission regarding the determination and recommendation referred to in paragraphs (1) and (2).

(e) PUBLIC NOTICE.—Upon submitting a report to the President under subsection (d), the Commission shall promptly make public such report (with the exception of information which the Commission determines to be confidential) and shall cause a summary thereof to be published in the Federal Register.

SEC. 313. PROVISION OF RELIEF.

(a) IN GENERAL.—Not later than the date that is 30 days after the date on which the President receives the report of the Commission in which the Commission's determination under section 312(a) is affirmative, or which contains a determination under section 312(a) that the President considers to be affirmative under paragraph (1) of section 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d)(1)), the President, subject to subsection (b), shall provide relief from imports of the article that is the subject of such determination to the extent that the President determines necessary to remedy or prevent the injury found by the Commission and to facilitate the efforts of the domestic industry to make a positive adjustment to import competition.

(b) EXCEPTION.—The President is not required to provide import relief under this section if the President determines that the provision of the import relief will not provide greater economic and social benefits than costs.

(c) NATURE OF RELIEF.—

(1) IN GENERAL.—The import relief (including provisional relief) that the President is authorized to provide under this section with respect to imports of an article is as follows:

(A) The suspension of any further reduction provided for under Annex IV of the Agreement in the duty imposed on such article.

(B) An increase in the rate of duty imposed on such article to a level that does not exceed the lesser of—

(i) the column 1 general rate of duty imposed under the HTS on like articles at the time the import relief is provided; or

(ii) the column 1 general rate of duty imposed under the HTS on like articles on the day before the date on which the Agreement enters into force.

(C) In the case of a duty applied on a seasonal basis to such article, an increase in the rate of duty imposed on the article to a level that does not exceed the lesser of—

(i) the column 1 general rate of duty imposed under the HTS on like articles for the immediately preceding corresponding season; or

(ii) the column 1 general rate of duty imposed under the HTS on like articles on the day before the date on which the Agreement enters into force.

(2) PROGRESSIVE LIBERALIZATION.—If the period for which import relief is provided under this section is greater than 1 year, the President shall provide for the progressive liberalization of such relief at regular intervals during the period in which the relief is in effect.

(d) PERIOD OF RELIEF.—

(1) IN GENERAL.—Subject to paragraph (2), any import relief that the President provides under this section may not be in effect for more than 3 years.

(2) EXTENSION.—

(A) IN GENERAL.—Subject to subparagraph (C), the President, after receiving an affirmative determination from the Commission under subparagraph (B), may extend the effective period of any import relief provided under this section if the President determines that—

(i) the import relief continues to be necessary to remedy or prevent serious injury and to facilitate adjustment by the domestic industry to import competition; and

(ii) there is evidence that the industry is making a positive adjustment to import competition.

(B) ACTION BY COMMISSION.—(i) Upon a petition on behalf of the industry concerned that is filed with the Commission not earlier than the date which is 9 months, and not later than the date which is 6 months, before the date any action taken under subsection (a) is to terminate, the Commission shall conduct an investigation to determine whether action under this section continues to be necessary to remedy or prevent serious injury and to facilitate adjustment by the domestic industry to import competition and whether there is evidence that the industry is making a positive adjustment to import competition.

(ii) The Commission shall publish notice of the commencement of any proceeding under this subparagraph in the Federal Register and shall, within a reasonable time thereafter, hold a public hearing at which the Commission shall afford interested parties and consumers an opportunity to be present, to present evidence, and to respond to the presentations of other parties and consumers, and otherwise to be heard.

(iii) The Commission shall transmit to the President a report on its investigation and determination under this subparagraph not later than 60 days before the action under subsection (a) is to terminate, unless the President specifies a different date.

(C) PERIOD OF IMPORT RELIEF.—Any import relief provided under this section, including any extensions thereof, may not, in the aggregate, be in effect for more than 5 years.

(e) RATE AFTER TERMINATION OF IMPORT RELIEF.—When import relief under this section is terminated with respect to an article, the rate of duty on that article shall be the rate that would have been in effect, but for the provision of such relief, on the date on which the relief terminates.

(f) ARTICLES EXEMPT FROM RELIEF.—No import relief may be provided under this section on any article that—

(1) is subject to an assessment of additional duty under section 202(b); or

(2) has been subject to import relief under this subtitle after the date on which the Agreement enters into force.

SEC. 314. TERMINATION OF RELIEF AUTHORITY.

(a) GENERAL RULE.—Subject to subsection (b), no import relief may be provided under this subtitle with respect to a good after the date that is 5 years after the date on which duty-free treatment must be provided by the United States to that good pursuant to Annex IV of the Agreement.

(b) PRESIDENTIAL DETERMINATION.—Import relief may be provided under this subtitle in the case of a Moroccan article after the date on which such relief would, but for this subsection, terminate under subsection (a), if the President determines that Morocco has consented to such relief.

SEC. 315. COMPENSATION AUTHORITY.

For purposes of section 123 of the Trade Act of 1974 (19 U.S.C. 2133), any import relief provided by the President under section 313 shall be treated as action taken under chapter 1 of title II of such Act.

SEC. 316. CONFIDENTIAL BUSINESS INFORMATION.

Section 202(a)(8) of the Trade Act of 1974 (19 U.S.C. 2252(a)(8)) is amended in the first sentence—

(1) by striking ''and''; and

(2) by inserting before the period at the end '', and title III of the United States-Morocco Free Trade Agreement Implementation Act''.

Subtitle B—Textile and Apparel Safeguard Measures

SEC. 321. COMMENCEMENT OF ACTION FOR RELIEF.

(a) IN GENERAL.—A request under this subtitle for the purpose of adjusting to the obligations of the United States under the Agreement may be filed with the President by an interested party. Upon the filing of a request, the President shall review the request to determine, from information presented in the request, whether to commence consideration of the request.

(b) PUBLICATION OF REQUEST.—If the President determines that the request under subsection (a) provides the information necessary for the request to be considered, the President shall cause to be published in the Federal Register a notice of commencement of consideration of the request, and notice seeking public comments regarding the request. The notice shall include a summary of the request and the dates by which comments and rebuttals must be received.

SEC. 322. DETERMINATION AND PROVISION OF RELIEF.

(a) DETERMINATION.—

(1) IN GENERAL.—If a positive determination is made under section 321(b), the President shall determine whether, as a result of the reduction or elimination of a duty under the Agreement, a Moroccan textile or apparel article is being imported into the United States in such increased quantities,

in absolute terms or relative to the domestic market for that article, and under such conditions as to cause serious damage, or actual threat thereof, to a domestic industry producing an article that is like, or directly competitive with, the imported article.

(2) SERIOUS DAMAGE.—In making a determination under paragraph (1), the President—

(A) shall examine the effect of increased imports on the domestic industry, as reflected in changes in such relevant economic factors as output, productivity, utilization of capacity, inventories, market share, exports, wages, employment, domestic prices, profits, and investment, none of which is necessarily decisive; and

(B) shall not consider changes in technology or consumer preference as factors supporting a determination of serious damage or actual threat thereof.

(b) PROVISION OF RELIEF.—

(1) IN GENERAL.—If a determination under subsection (a) is affirmative, the President may provide relief from imports of the article that is the subject of such determination, as described in paragraph (2), to the extent that the President determines necessary to remedy or prevent the serious damage and to facilitate adjustment by the domestic industry to import competition.

(2) NATURE OF RELIEF.—The relief that the President is authorized to provide under this subsection with respect to imports of an article is an increase in the rate of duty imposed on the article to a level that does not exceed the lesser of—

(A) the column 1 general rate of duty imposed under the HTS on like articles at the time the import relief is provided; or

(B) the column 1 general rate of duty imposed under the HTS on like articles on the day before the date on which the Agreement enters into force.

SEC. 323. PERIOD OF RELIEF.

(a) IN GENERAL.—Subject to subsection (b), the import relief that the President provides under subsection (b) of section 322 may not, in the aggregate, be in effect for more than 3 years.

(b) EXTENSION.—

(1) IN GENERAL.—Subject to paragraph (2), the President may extend the effective period of any import relief provided under this subtitle for a period of not more than 2 years, if the President determines that—

(A) the import relief continues to be necessary to remedy or prevent serious damage and to facilitate adjustment by the domestic industry to import competition; and

(B) there is evidence that the industry is making a positive adjustment to import competition.

(2) LIMITATION.—Any relief provided under this subtitle, including any extensions thereof, may not, in the aggregate, be in effect for more than 5 years.

SEC. 324. ARTICLES EXEMPT FROM RELIEF.

The President may not provide import relief under this subtitle with respect to any article if—

(1) the article has been subject to import relief under this subtitle after the date on which the Agreement enters into force; or

(2) the article is subject to import relief under chapter 1 of title II of the Trade Act of 1974.

SEC. 325. RATE AFTER TERMINATION OF IMPORT RELIEF.

When import relief under this subtitle is terminated with respect to an article, the rate of duty on that article shall be the rate that would have been in effect, but for the provision of such relief, on the date on which the relief terminates.

SEC. 326. TERMINATION OF RELIEF AUTHORITY.

No import relief may be provided under this subtitle with respect to any article after the date that is 10 years after the date on which duties on the article are eliminated pursuant to the Agreement.

SEC. 327. COMPENSATION AUTHORITY.

For purposes of section 123 of the Trade Act of 1974 (19 U.S.C. 2133), any import relief provided by the President under this subtitle shall be treated as action taken under chapter 1 of title II of such Act.

SEC. 328. BUSINESS CONFIDENTIAL INFORMATION.

The President may not release information which is submitted in a proceeding under this subtitle and which the President considers to be confidential business information unless the party submitting the confidential business information had notice, at the time of submission, that such information would be released, or such party subsequently consents to the release of the information. To the extent a party submits confidential business information to the President in a proceeding under this subtitle, the party also shall submit a nonconfidential version of the information, in which the confidential business information is summarized or, if necessary, deleted.

EXECUTIVE SESSION

NOMINATION OF HENRY W. SAAD TO BE U.S. CIRCUIT JUDGE FOR THE SIXTH CIRCUIT

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the Senate now proceed to executive session for the consideration of Calendar No. 705, the nomination of Henry W. Saad, of Michigan, to be U.S. Circuit Judge for the Sixth Circuit.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The clerk will report the nomination.

The legislative clerk read the nomination of Henry W. Saad, of Michigan, to be U.S. Circuit Judge for the Sixth Circuit.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. LIEBERMAN. Mr. President, I ask unanimous consent to proceed, along with Senator COLLINS, as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. LIEBERMAN and Ms. COLLINS pertaining to the introduction of S. 2701 are printed in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Might I inquire of the Chair what the pending business is.

The PRESIDING OFFICER. The pending business is the nomination of Henry Saad, of Michigan, to the Sixth Circuit Court of Appeals.

Mr. KYL. Mr. President, Senator HATCH is chairing a subcommittee hearing and asked that I open the debate with respect to the nomination and confirmation of Judge Henry Saad. So I think my comments are reflective of Chairman HATCH's views, but I will present them as my own as well.

I will first speak a little bit about Judge Saad and his nomination to this court and why we have had a problem in getting this far with his nomination but why I hope our colleagues will be willing to vote to confirm him.

As the Chair noted, he is a nominee to the U.S. Circuit Court for the Sixth Circuit. He was nominated, and I ask my colleagues to think of this date for a moment, on November 8, 2001. It is now 2004. He is a distinguished State court of appeals judge from the State of Michigan with nearly a decade of experience in that court. He has been there since 1994. In that capacity, he is actually elected and reelected, and he has been reelected twice to serve on the court of appeals with broad bipartisan support within the State of Michigan.

The American Bar Association has rated Judge Saad qualified to sit on the U.S. Court of Appeals for the Sixth Circuit. Therefore, his nomination should have come before us long before now. He should be confirmed, obviously.

I will mention a bit about the Sixth Circuit. There are 16 authorized seats on the circuit, but there are 4 vacancies. Obviously, one-fourth of the authorized seats on that court remain vacant today. President Bush has nominated four very well-qualified individuals from Michigan to fill these vacancies. The seat to which Judge Saad has been nominated has been deemed a judicial emergency and, of course, it is not hard to see why with that number of vacancies.

Interestingly, President George H.W. Bush, President Bush No. 41, first nominated Judge Saad to the Federal bench in 1992, but the Democratic Senate failed to act on his nomination at that time, as well as one other from Michigan, prior to the end of President Bush's term. So this is the second time he has been nominated for this prestigious court.

A bit about his personal history. Judge Saad was born in Detroit. He is a lifelong resident of the State. He would be the first Arab-American appointee to the Court of Appeals for the Sixth Circuit. According to the Detroit Free Press, Bush's nomination of Saad in the wake of the September 11 attacks—remember, it was only 2 months to the day following the September 11 attacks:

> conveys an important message to all the citizens and residents of this country that we embrace and welcome diversity and that we are extending the American dream to anyone who is prepared to work hard.

Judge Saad has had a distinguished career as a practicing attorney and law professor before serving on the State bench. From 1974 until 1994 he practiced law, first as an associate and then a partner with the prestigious Detroit firm of Dickinson, Wright. He built a national practice and reputation there in the areas of employment law, school law, libel law, and first amendment law. He serves as an adjunct professor at both Wayne State University Law School and the University of Detroit Mercy School of Law. He received his